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Legislative Audits Division**

**OFFICE OF THE STATE TREASURER  
90 DAY FOLLOW-UP**

On July 8, 2008, the Legislative Services Office released a Management Report for the Office of the State Treasurer for fiscal years 2005, 2006, and 2007. The Office was contacted on October 22, 2008, and this report addresses how it has responded to the two findings and recommendations contained in that report.

**FINDING #1**

Discrepancies in the investment accounting system data raise the risk of errors in the distribution of earnings and reported value of investments.

**We recommended that the Office review accounting procedures and controls to ensure the integrity of investment data within the QED system to produce accurate investment valuation and income distribution. We further recommended that the Office recruit appropriate accounting expertise in order to manage the complex investment accounting functions.**

**AUDIT FOLLOW-UP**

The Office unsuccessfully attempted to obtain an additional accounting position during the last legislative session. The Office's investment manager is seeking training opportunities to ensure appropriate accounting for investments, and the Office continues to communicate to staff the importance of effective internal control processes. In addition, the Office has changed methods of accounting for the investment portfolios in the accounting system in order to create consistent reports. This finding remains open until current financial information is available for review.

**STATUS**

**OPEN**

**FINDING #2**

Issuance costs of \$80,000 for the Bond Bank Authority were subsidized by the State Treasurer's Office.

**We recommend that the Office discontinue the practice of subsidizing the Idaho Bond Bank Authority and direct the Authority to recover issuance costs and other expenses through fees charged to local governments as allowed by Idaho Code.**

The Office obtained statutory authority under Idaho Code, Section 67-8720 to spend appropriations for Idaho Bond Bank expenses.

**STATUS**

**CLOSED**